

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO

IN RE:

KARISOLET HEIFERS, INC.

Debtor

CASE NO.: 16-08404 (MCF)

CHAPTER 12

LIMITED OBJECTION TO DEBTOR'S MOTION TO INFORM LEASE MILK QUOTA

(Related Docket No. 182)

TO THE HONORABLE COURT:

COMES NOW secured creditor PR Recovery and Development JV, LLC ("PR Recovery"), through its undersigned counsel, and respectfully states and prays as follows:

1. On November 26, 2019, the Debtor filed a *Motion to Inform Lease Milk Quota* (the "*Motion for Lease of Milk Quota*", Docket No. 182)¹ alleging that the it is the "sole owner of 100,000 quarts [of] milk quota with ORIL with license number 3424, **of which 75,000 quarts has a lien in favor of PR Recovery and Development JV, LLC**". *Id.*, p. 1, ¶ 7 (emphasis added).

2. We begin by clarifying that the Debtor's milk quota is not in the amount of 100,000 quarts, but 100,840 instead. *See Schedule A*, Docket No. 1, p. 10, ¶ 32.

3. While PR Recovery does not object to the request to lease the milk quota *per se*, we do object to the Debtor's representation that PR Recovery only has a partial lien over only 75,000 quarts. The foregoing should not alter or be construed as a release or waiver to any prior cash collateral agreement between PR Recovery and the Debtor and/or defense by PR Recovery to the use of cash collateral.

4. Contrary to the Debtor's assertion, PR Recovery does not have a partial lien, but rather has a full lien over the totality of the Debtor's milk quota in the amount of 100,840 quarts

¹ Although the deadline to file an opposition to the *Motion for Lease of Milk Quota* was due on January 7, 2020 (Docket No. 193), it was extended by virtue of the Court's closing in Notice No. 20-01 due to the earthquakes in Puerto Rico that occurred from January 6-7, 2020. *See* Fed. R. Bankr. P. 9006(a)(3).

biweekly. The Debtor so acknowledged it in *Schedule D* (Docket No. 1, p. 13, ¶ 2.1). Also see Proof of Claim No. 3-1, Parts 23-25.

5. PR Recovery's Proof of Claim No. 3 has not been objected and is therefore deemed allowed pursuant to Section 502(a) of the Bankruptcy Code.

WHEREFORE, PR Recovery respectfully requests the Court to take notice of the foregoing and apply these corrections to any order related to the Debtor's *Motion for Lease of Milk Quota* (Docket No. 182).

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on this 8th day of January, 2020.

Certificate of Service

I hereby certify on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all CM/ECF participants in this case.

Ferraiuoli LLC

Attorneys for PR Recovery
PO Box 195168
San Juan, PR 00919-5168
Telephone: 787.766.7000
Facsimile: 787.766.7001

/s/ Sonia Colón Colón

Sonia Colón Colón
USDC-PR No. 213809
scolon@ferraiuoli.com

/s/ Gustavo A. Chico-Barris

Gustavo A. Chico-Barris
USDC-PR No. 224205
gchico@ferraiuoli.com

/s/ Camille N. Somoza

Camille N. Somoza
USDC-PR No. 302908
csomoza@ferraiuoli.com